

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

TERRAFORM LABS PTE. LTD. and DO  
HYEONG KWON,

Defendants.

Civil Action No. 23-cv-1346 (JSR)

Hon. Jed S. Rakoff

**DECLARATION OF JAMES GREGORY EASTMAN**

I hereby declare pursuant to 28 U.S.C. § 1746:

1. I make this summary declaration at the request of Defendant Terraform Labs (“TFL”). This declaration is based on my personal knowledge and review of documents and data produced in this case and the Declaration of Donald S. Battle dated April 19, 2024 (ECF No. 234) (the “Battle Declaration”) and documents and data underlying that declaration.

2. I am a Senior Vice President at Cornerstone Research, an economic consulting firm. I have a Ph.D. in Economics from Harvard University. I have more than 25 years of experience addressing complex financial, accounting, and economic issues arising in litigation and regulatory matters. I have been assisted in this matter by staff of Cornerstone Research, who worked under my direction.

3. In his declaration, Mr. Battle aggregates only the net sales of UST in TFL’s Binance.com, KuCoin and Bitfinex accounts (the “TFL Exchange Accounts”); his aggregation excludes TFL’s transactions in LUNA and MIR in those accounts. *See* Battle Declaration ¶¶ 23–24.

4. Mr. Battle's calculation also does not include all orders submitted by TFL on Binance that were partially executed. Specifically, Mr. Battle omits transactions for which the trade status is labeled as "CANCELED" or "EXPIRED," but the value in the associated "executed\_qty" is positive, showing that part of the order quantity was executed. Appendix 1, attached, provides two examples of such transactions.

5. For transactions on Bitfinex, Mr. Battle's calculations include U.S. Dollar Tether transactions rather than Terra UST transactions. Per the Bitfinex website, Bitfinex token "UST" represents U.S. Dollar Tether (USDT), not Terra UST. For example, the symbol "tBTCUST" represents the trading pair BTC (Bitcoin) and USDT, which is used for transactions between BTC and USDT. However, Mr. Battle treats this symbol as representing transactions between BTC and Terra UST, which is incorrect, and therefore includes it in his calculations. Mr. Battle incorrectly treats USDT as Terra UST on Bitfinex and therefore presents transactions in USDT rather than Terra UST.

6. I have been asked by counsel for TFL to review the calculations in the Battle Declaration and to (i) aggregate the net dollar value of all transactions in LUNA, MIR, and UST (as calculated by Mr. Battle), and (ii) aggregate the net dollar value of all transactions in LUNA, MIR, and UST, after including (a) all partially filled executions and (b) actual Terra UST (UST) transactions rather than U.S. Dollar Tether (USDT) transactions on Bitfinex as included by Mr. Battle, as per the produced data.

7. My calculations result in substantial modifications of Mr. Battle's calculations.

8. Mr. Battle calculates that from June 1, 2021 through May 31, 2022, TFL made the following net purchases and sales of Terra tokens (Battle Declaration Appendix 3):

a. On Binance:

- i. Net purchases of LUNA in the amount of \$2,912,701,014.65.
  - ii. Net sales of UST in the amount of \$1,764,611,888.34.
  - iii. Net purchases of MIR in the amount of \$3,152,596.93.
- b. On KuCoin:
  - i. Net purchases of LUNA in the amount of \$958,026,717.89.
  - ii. Net sales of UST in the amount of \$449,855,549.64.
  - iii. Net sales of MIR in the amount of \$224,069.84.
- c. On Bitfinex:
  - i. Net purchases of LUNA in the amount of \$75,905,306.65.
  - ii. Net sales of UST in the amount of \$74,805,830.63.<sup>1</sup>
  - iii. Net sales of MIR in the amount of \$3,398,010.49.

9. Across all three exchanges, Mr. Battle calculates that TFL made (i) net purchases of LUNA in the amount of \$3,946,633,039.19; (ii) net sales of UST in the amount of \$2,289,273,268.61<sup>2</sup>; and (iii) net sales of MIR in the amount of \$469,483.40. I have been provided the computer code that Mr. Battle used to generate the calculations in his declaration. Using Mr. Battle's code, I have replicated his calculations. Aggregating the dollar values across all exchanges and including LUNA, UST, and MIR, Mr. Battle's calculation results in net dollar *purchases* of \$1,656,890,287.18.<sup>3</sup>

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<sup>1</sup> While Mr. Battle refers to his calculations as "net UST sales," his code does not calculate net Terra UST sales because his code uses the incorrect symbol for Terra UST.

<sup>2</sup> The net sales of UST are calculated directly from the numbers presented in Appendix 3 of the Battle Declaration. Mr. Battle's estimates of net UST sales on the Bitfinex exchange do not reflect the net sales of Terra UST because his code uses the incorrect symbol for Terra UST.

<sup>3</sup> The net sales of UST are calculated directly from the numbers presented in Appendix 3 of the Battle Declaration. Mr. Battle's estimates of net UST sales on the Bitfinex exchange do not reflect the net sales of Terra UST because his code uses the incorrect symbol for Terra UST.

10. The following numbers of net sales and purchases result from modifying Mr. Battle's code to include (i) all partially filled transactions and (ii) US Terra transactions rather than USD Tether transactions on Bitfinex.

a. On Binance:

- i. Net purchases of LUNA in the amount of \$3,549,544,922.55.
- ii. Net sales of UST in the amount of \$1,132,866,335.65.
- iii. Net purchases of MIR in the amount of \$13,353,185.00.

b. On KuCoin:

- i. Net purchases of LUNA in the amount of \$958,026,717.89.
- ii. Net sales of UST in the amount of \$449,855,549.64.
- iii. Net sales of MIR in the amount of \$224,069.84.

c. On Bitfinex:

- i. Net purchases of LUNA in the amount of \$265,073,376.38.
- ii. Net sales of UST in the amount of \$101,279,420.09.
- iii. Net sales of MIR in the amount of \$692,207.42.

11. Based on these calculations, across all three exchanges, TFL made (i) net purchases of LUNA in the amount of \$4,772,645,016.82; (ii) net sales of UST in the amount of \$1,684,001,305.38; and (iii) net purchases of MIR in the amount of \$12,436,907.74.

12. Aggregating these dollar values across all exchanges and all three Terra tokens (LUNA, UST, and MIR), TFL made net *purchases* of \$3,101,080,619.18 in the TFL Exchange Accounts.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed within the United States, this 26th of April, 2024.

A handwritten signature in black ink that reads "Greg Eastman". The signature is written in a cursive style with a large, looping "G" and a long horizontal stroke at the end.

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James Gregory Eastman

## APPENDIX 1

X.	user_id	order_id	symbol	price	orig_qty	executed_qty	executed_quote_qty	status	type	side	stop_price	insert_time	update_time	price_unit	amount_unit	dt
31	35781760	155416142	LUNAUSDT	16.498	167.39	115.336	1902.813328	CANCELED	LIMIT	SELL	0	2021-05-01 14:37:50	2021-05-01 14:38:08	USDT	LUNA	2021-05-01
71544	35781760	203427	USTBUSDT	1.001	87893	87892	87979.892	EXPIRED	LIMIT	SELL	0	2021-12-31 10:50:39	2021-12-31 10:50:39	BUSD	UST	2021-12-31